



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Department of Medicaid  
50 West Town Street, Suite 400  
Columbus, Ohio 43215

We have performed the procedures enumerated below on the Opportunity Homes, Inc.'s Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2022 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Cost Report for the year ended December 31, 2022 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2022, and certain compliance requirements related to the Cost Report and Medicaid services. Additionally, the Ohio Department of Developmental Disabilities has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

### Census Data and Medicaid Paid Claims

1. We footed the OHI Census reports. There were no computational errors. We compared the total of inpatient and leave days from the census reports to *Schedule A-1, Summary of Inpatient Days*. We found omitted days as reported in the Appendix.
2. We selected two residents from the census reports and included residents with leave days in the selection. We obtained the medical records for the selected individuals for one month. We confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code §§ 5123-7-12(H) and 5123-3-04(J). We found no omitted days.

For any reimbursed leave days, we obtained the remaining census reports and any prior authorization documentation. We totaled the leave days per resident and, for any days over 30, we confirmed that the days were prior authorized as required by Ohio Admin. Code § 5123-7-08(E) except one day for one resident during the month of May 2022.

### Recoverable Finding: \$398.73

We compared the unauthorized day to the Summary by Service Code and calculated a finding in the amount of \$398.73 for the one unauthorized day in accordance with Ohio Admin. Code § 5123-7-08.

### **Census Data and Medicaid Paid Claims (Continued)**

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that net Medicaid reimbursed days were greater than reported days. We reperformed the comparison above after adding omitted days in procedure 1 and found days on the revised *Schedule A-1* were greater than net Medicaid reimbursed days.

### **Revenue**

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance* to the Trial Balance and the Adjusting Journal Entries report with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. There were no variances.
2. We scanned the description in the General Ledger for any discounts, allowances, refunds, or rebates and compared these entries to the chart of account codes on *Attachment 2, Adjustments to Trial Balance; Schedule B-1, Other Protected Costs; Schedule B-2, Direct Care Cost Center; or Schedule C, Indirect Cost Care Center*. We found no unreported offsets.

### **Non-Payroll Expenses**

1. We compared all non-payroll expenses from the Adjusting Journal Entries report to the Trial Balance and from the Trial Balance to *Schedules B-1, B-2 and C*. We found no variances.
2. We scanned the General Ledger for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

We selected 30 non-payroll expenses from *Schedules B-1, B-2 and C* that exceed \$500, including a minimum of two contract personnel/position vouchers, and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation and any additional explanations, we performed the following procedures on each expense:

- We confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H).
- We footed the invoice/documentation for accuracy. We found no computational differences. We compared the invoice rate to the contracted rate. We found no variances within the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found no non-reimbursable costs.
- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions).

We found variances between schedules exceeding \$500 as reported in the Appendix. We scanned the General Ledger for additional similar errors or misclassifications and found none.

### Non-Payroll Expenses (Continued)

- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no costs that did not benefit the ICF-IID.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 to confirm that the expense was not a capital asset. We found expenses were capital assets and reported variances to remove the expense and include depreciable costs as reported in the Appendix.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.

### Payroll

1. We compared all salary and fringe benefits on the Adjusting Journal Entries report to the Trial Balance and the Trial Balance to *Schedules B-1, B-2, and C*. We found no variances.

We also compared hours and percentage of time worked and salaries from the Labor Allocation Summary and Transaction Reports to *Schedule C-1, Administrator's Compensation*. There were no variances.

2. We obtained the Labor Allocation report and selected five employees reported on *Schedules B-1, B-2, C* and all employees on *Schedule C-1* and if the programs with benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:
  - We compared the employee salary and benefits on the Labor Allocation report to the Trial Balance and the Trial Balance to the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances for unsupported expenses.
  - We compared the job description for each employee to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the employee salary and benefit costs benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable costs.
  - We compared the employee job description and salary and benefit costs on Labor Allocation report to the Trial Balance and from the Trial Balance to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. We found no variances.
  - We compared the cost methodology and allocation statistics for each employees' salary and benefit costs to the allowable methods per CMS Publication 15-1 § 2302.8 and determined if employees' salary and benefit costs were expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances.

## Property

1. We compared the initial square footage and year of construction of the intermediate care facility at 7891 State Route 45 from the Columbiana County Auditor's Property records, and the floor plans to *Attachment 9, Fair Rental Value Survey*. There were no square footage variances. There were differences in the year as reported in the Appendix.

We selected one removal within the records retention period of 7 years per Ohio Admin. Code § 5123-7-12 and compared the square footage, type and the year from the DODD Downsizing and Certification letters to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions for ICF-IID. We found no variances.

2. We compared the project year, type and cost for five recent renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovation to the Cost Report Instructions. There were no year or type variances or decreases in costs.

3. We compared equipment depreciation and lease costs from the Depreciation Expense report and Trial Balance to *Schedule D, Capital Cost Center* and the Cost Report Instructions. There were no variances.

We scanned the Depreciation Expense report and General Ledger to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

4. We selected one capital asset each from account code 8040 and 8050 which were being depreciated in the first year. We recalculated the first year's depreciation for the two assets selected, based on the Cost Report instructions and useful lives prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18.

We compared the recalculated depreciation to the reported depreciation and found no variances.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the ICF-IID's Cost Report and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the ICF-IID and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 29, 2024

**Appendix**  
**Opportunity Homes, Inc.**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule A-1: Summary of Inpatient Days</b>				
1. January - Medicare Mngd Care, Veteran & Other Days (2)	-	17	17	To add Non-Medicaid Days from census report
2. February - Medicare Mngd Care, Veteran & Other Days (2)	-	6	6	To add Non-Medicaid Days from census report
5. May - Authorized Days (2)	327	91	418	To add authorized days based on the census report
6. June - Authorized Days (2)	315	92	407	To add authorized days based on the census report
6. June - Leave Days for Visits with Friends and Relatives (5)	5	8	13	To add leave days based on the census report
<b>Schedule B-1 Other Protected Care Cost Center</b>				
2. Medical Supplies - Medicare Non Billable - 6001 - Other/Contract Wages (2)	\$ 39,487	\$ (651)		To remove direct expense for a capital asset and record depreciation expense
		\$ 569	\$ 39,405	To reclass medical supply items
<b>Schedule B-2 Direct Care Cost Center</b>				
24. Other Direct Care Specify Below - 6220 - Other/Contract Wages (2)	\$ -	\$ 1,200	\$ 1,200	To reclassify dental care expense
<b>Schedule C Indirect Care Cost Center</b>				
24. Program Supplies - 7125 - Other/Contract Wages (2)	\$ 2,512	\$ (1,200)	\$ 1,312	To reclassify dental care expense
19. Hab Supplies - 7100 - Other/Contract Wages (2)	\$ 5,442	\$ (519)	\$ 4,923	To remove direct expense for a capital asset and record depreciation expense
22. Incontinence Supplies - 7115 - Other/Contract Wages (2)	\$ 7,930	\$ (569)	\$ 7,361	To reclass medical supply items
<b>Schedule D Capital Cost Center</b>				
4. Depreciation - Equipment 8040 - Total (3)	\$ 12,756	\$ 23		To remove direct expense for a capital asset and record depreciation expense
		\$ 52	\$ 12,831	To remove direct expense for a capital asset and record depreciation expense
<b>Attachment 9, Fair Rental Value Survey Initial Construction</b>				
<b>Year of Initial Construction</b>	1983	(2)	1981	To agree year of construction to the county auditor.

# OHIO AUDITOR OF STATE KEITH FABER



**OPPORTUNITY HOMES, INC.**

**COLUMBIANA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 5/23/2024**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)